



MEETING MINUTES

MEETING: **Bond Oversight Committee Meeting**
HISD Facilities Capital (Bond) Program

LOCATION: Hattie Mae White Educational Support Center
Superintendent's Large Conference Room
4400 West 18th Street
Houston, Texas 77092

DATE: 28 April 2015

TIME: 8:30 A.M.

PRESENT: **Bond Oversight Committee (BOC)**

Mr. Gary J. White
Mr. Martin Debrovner
Mr. Michael G. Davis
Mr. D.V. "Sonny" Flores
Mr. Robert M. Eury
Mr. Craig Johnson
Mrs. Phoebe Tudor
Mr. David Quan

Houston Independent School District (HISD)

Mr. Leo Bobadilla, Business Operations
Mr. Mark Miranda, Business Operations
Mr. Robert Sands, CFS
Ms. Sue Robertson, CFS
Mr. Dan Bankhead, CFS
Mr. Derrick Sanders, CFS
Mr. Andreas Peebles, CFS
Mr. Sundaresh Kamath, CFS
Ms. Sandy Hellums, Legal Counsel
Ms. Yesenia Taylor, Business Assistance
Ms. Sherrie Robinson, Controller
Ms. Tonya Savoie, Controller's office
Ms. Sylvia Wood, Communications
Ms. Rebecca Kiest, Bond Communications
Ms. Sara Butler, Bond Communications
Ms. Christine Manrique, CFS
Ms. Jade Mays, CFS
Mr. John Gerwin, Construction Audit
Mr. Richard Patton, Construction Audit
Ms. Pat Collins, Information Technology
Ms. Jennifer Douglas, CFS
Ms. Victoria Silvia, CFS
Ms. Jazzmine Fuller, CFS

ABSENT: Ms. Jessica Diaz

The general purpose of the meeting was to brief the Bond Oversight Committee on the current status of the new construction and renovation projects funded through the 2012 Facilities Capital Program. Related issues, questions and activities were also discussed:

Item 1 Welcome

Robert Sands, CFS Officer, called the meeting to order at 8:48 a.m. and welcomed everyone to the meeting.

Item 2 January 27, 2015 Oversight Committee Meeting Minutes

The committee approved the minutes as presented.

Item 3 Videos

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Mr. Sands introduced a video of HISD's tour of four different schools in the Washington, D.C., area.

Item 4 Bond Construction Update

Derrick Sanders, General Manager of Construction Services, reported that the building pad and drilling pier work for South Early College, North Early College, Mandarin Chinese and Condit are ongoing. Debakey High School, Lee HS, Washington HS and Sharpstown HS have undergone demolition. Mr. Sanders noted, as of last week, the last homes at Washington HS for demolition have been completed. Digging out the basement of DeBakey HS also has been completed. He added that vertical construction work has started at Waltrip HS, Worthing HS and Delmar Stadium. Major foundation work has been completed at Sterling HS and Grady MS. Sterling HS should start vertical construction in the next couple of weeks. For Mark White, Mickey Leland, and Butler and Barnett stadiums, the Project Team is working with the City of Houston to get final permits. The HSPVA and Furr HS projects have not come to terms with the Construction Manager at Risk (CMAR), and HISD has decided to terminate those contracts. The Project Team is in the process of securing new contracts for those schools. Mr. Sanders also reported that Sharpstown HS had its groundbreaking ceremony on Feb. 7, and property has been recently purchased near downtown for High School for Law Enforcement.

Leo Bobadilla, Chief Operating Officer, noted that the team is still working on costs with some schools and has made a lot of progress with several projects from last meeting. Mr. Sanders noted that next quarter he is expecting more projects to come out of the ground and move forward into vertical construction.

Item 5 Bond Planning Update

Sue Robertson, General Manager of Facilities Planning, presented information on how the district determines capacity ranges for each school. Ms. Robertson explained that 21st century schools trend toward including teacher work centers, where teachers can plan and collaborate with each other. This college-style design ensures instructional spaces are optimally utilized throughout the day to maximize capacity.

Mr. Bobadilla informed the committee that he asked Ms. Robertson to put a presentation together to share with principals and others about 21st century learning and capacity of the new buildings. He noted by sharing this presentation with more people, it will ease the transition and provide information on what the changes include.

Phoebe Tudor asked if the 21st century school would potentially lead to any overcrowding. Ms. Robertson responded the district wouldn't intentionally draw boundaries to load the school up beyond capacity. HISD would caution the principals not to load the buildings beyond the ability of the infrastructure to support that number. She also stated that if you fast forward 10 years from now, no one knows how much direct instruction is going to be occurring in the classroom and how much independent learning is going to be occurring. Ms. Robertson noted the main message is that we are in position for a variety of instruction to occur as the district moves forward.



Robert Eury inquired that if more independent work increases 10 years from now, will the plan change by deconstructing classrooms. Ms. Robertson said the buildings are designed to be flexible or add more transparency if noise needs to be controlled differently. She said there are options to change configurations as needed.

Item 6 Bond Design Update

Mr. Bankhead informed the committee that the architects are working in an expeditious manner on the Group 2 projects. Several projects are in the Design Development phase and have a few that are finishing up the Schematic Design phase. More than 120 people attended an informative meeting that was held during the first quarter at Mickey Leland College Preparatory. The architects presented a facade and a treatment to the facade of the design piece that evokes the history of the original facility of Wheatley HS.

The design team is having meetings (charrettes) with members of Groups 3 and 4 projects. These gatherings are comprised of program managers, architects, and staff members for the participating schools. The architects presented a cost model providing the respective campuses' construction budgets and scopes of work. The goal is to ensure the buildings are being designed within budget.

The design standards have been updated and posted on the website. Some of the changes include electrical and safety.

Item 7 Districtwide Upgrades

Andreas Peeples, General Manager of Construction, reported on middle school restroom projects that started last year and are coming to a close on Phase 1. Phase 2 work is moving along, which is another 10-school package, and 100% demolition has been completed over the past break. Construction of the Phase 2 packages will begin. Packages have started and contracts are being finalized for a small Group 3 package and a package that contains 5 middle schools. A contract has been finalized for Phase 2. The Group 2 package should start work in the next couple of weeks and the finalized contract for the Group 3 package will start by the end of the month.

Safety and Security improvements are continuing with the closed circuit television (CCTV) installation and also focusing on Priority 1, which is fire alarm systems and includes installation and code compliance items.

Furthermore, there has been work done with technology that contains network improvements and wireless expansion and includes wireless access points, cabling, and other infrastructure equipment. There are a number of schools that are schedule for completion this summer and a large group will start upon that completion. Once the network improvement and wireless expansion activities are complete, technology will move toward the voice over IP (VOIP), continuing the technology expansion.

Item 8 Business Assistance Minority and Women Businesses (M/WBE) Report and Community Outreach

Yesenia Taylor, Supplier Diversity Team Lead, reported the office of Business Assistance



continues to attend different events and programs to help promote HISD business opportunities. The M/WBE commitments were awarded contracts at 51% for the professional services. They continue to move forward with hosting information sessions and Workshop Wednesdays. They attended the Hispanic Chamber of Commerce Event and were able to participate and hand out M/WBE supplier diversity brochures to the attendees. HISD has developed a partnership with City of Houston, Metro, and the Port of Houston to kick off the Interagency Mentor-Protege program on Tuesday, May 5, 2015. The team is working with underutilized minority and women-owned businesses to help them understand how to do business with local agencies, including HISD, as well as learn about the different bid opportunities, the bid process, and how to do presentations properly.

The Minority Business Enterprises are at 36.11%, women-owned business enterprises are at 14.90%, and non-M/WBE is at 48.99%. Michael Davis asked with the M/WBE participation, how much of that is prime versus subcontractor. Ms. Taylor responded it is tracked and the report provides a breakdown of the awarded CMAR and the percentage for each school.

Mr. White asked what it means if Davis HS has 100% for the M/WBE commitment. Ms. Taylor responded the contractor is a certified M/WBE. Mr. Bobadilla noted that the prime contractor may be 100% M/WBE, but they may also have 30% M/WBE subcontractors. He noted to keep in mind that the CMARs usually don't know who their subs are going to be until they go out for bid.

Mr. White asked if the department follows up to see if contractors have met the commitments. Mr. Bobadilla referenced to the last bond reports and how that information is broken down. The report provides who's on target and who is not.

Mr. Davis asked how he can tell if the others are minority-own businesses and if there is a way to track a total of primes. Ms. Taylor responded that the percent is what they have committed to subcontract with a minority- or women-owned Business and yes.

Sonny Flores asked the district requires an M/WBE to subcontract a certain percentage, and if the M/WBE gets the contract could they either do it all or cut the contract out and give 95% out to a non-M/WBE. The contractor could do so, but they still have to go through a bid process and show what they are providing to the district.

Mr. Quan asked If HISD have an overall M/WBE commitment and do we count it as a 100% goal if the CMAR is M/WBE. Ms. Taylor responded 20% and 25% and yes.

Mr. Quan expressed concerns on how HISD will monitor the hiring process of the prime M/WBE contractor towards subcontractors that are M/WBE certified. How will HISD assure the certified M/WBE subcontractors will have a fair opportunity in receiving a certain percentage? Mr. Bankhead responded HISD is tracking those kinds of things, so when the subcontractors come back to the table, Alexis Licata (General Manager of Business Assistance) and Ms. Taylor will know that the CMAR did not follow through. HISD will take this into consideration when they evaluate CMARs.

Craig Johnson asked if those involved know there is a goal for tier 2 and if they know there is percentage target that the district is looking to help more M/WBEs.



Mr. Bobadilla responded before the works goes out for bid, the district has an outreach event at that school in that community so the people who are interested in the work have an opportunity to find out who is going to be responsible for the project. It gives them an opportunity to ask questions. Mr. Sands added when the CMARs bid, HISD send the notice advertisement to Ms. Licata's team, and they mail it to the 3,500 subcontractors.

Mr. Johnson asked is there list of firms that are reliable and we can work with again. Mr. Bobadilla responded that Procurement is working to develop files, which will have letters of commendation or concerns. Therefore, for the next project, during the procurement process, we ask that those files be part of the review.

As a result of terminating the Furr HS and HSPVA contracts, Mr. Quan asked how this affects the original schedule for these two projects. Mr. Peeples responded that the Furr project is out for bid, and it's due in a couple of weeks. Once the team goes through evaluations, we will be able to determine a new schedule. On HSPVA, we have not gone out for bid, so the schedule will be determined once the advertisement goes out for bid. Mr. Sands noted HSPVA is going to the next CMAR project, but Furr will go to a Competitive Sealed Proposal (CSP) delivery method.

Phoebe Tudor asked if it is unusual to terminate the first CMAR. Mr. Bobadilla responded the CMAR has to provide the owner, HISD, with a Guarantee Maximum Prices (GMP) that is within budget. If the CMAR cannot provide it, then we have the option to move on with the next CMAR. Ms. Tudor asked if the next CMAR will use the original design for those projects, and will they meet the budgets for those projects. Mr Bobadilla responded that as of right now, there hasn't been any considerable changes for those projects, and the expectation is to get these two contractors to spend time going over it, get comfortable with the package, and then bring the GMP. Mr. Bobadilla also added labor is an issue and getting subcontractors to bid projects. When having 0 to 2 bidders, prices go up because there is no competition. The key expectations for these next contractors is to be get a lot of interest in the market place for these project so there is a considerable amount of competition to help bring down the cost.

Item 9 Financial Report

Sherrie Robinson, HISD Controller, reported that in the \$1.89 billion bond program that was approved by the voters, \$424.7 million has been committed, including encumbrances of \$296.8 million and actual expenditures of \$127.9 million. There is \$1.5 billion available to complete projects. Ms. Robinson noted that Finance continuously meets and reviews cash flow statements and the encumbrance schedule to determine the next bond sale.

Mr. White asked if there was any additional money allocated to Mickey Leland. Tonya Savoie, Sr. Manager of Accounting, responded that funds were allocated from other resources and not from the \$1.89 billion. It is not in the report, but it is in the project, which they added \$13.7 million to bring the project to total of \$42.4 million.

Item 10 Bond Communications

Sylvia Wood, General Manager of Business Communications, reported on the first quarter



events. Sharpstown had its groundbreaking event on Feb. 7. In addition, PAT members from Groups 1 and 2 attended the HISD State of the Schools event to present the schools' project boards and discuss the projects with attendees. Mickey Leland had a community meeting with more than 100 people in attendance.

Ms. Wood noted one of the improvements with communication is that the team has created a new schedule format that gives more accurate and dynamic information on the web. It also provides information such as the target opening date. Communications is also facilitating more targeted school communications with letters home, for example at Condit ES and Furr HS.

Mr. White asked what is going to happen to Lockhart. Mr. Bankhead responded that's where the Energy HS is going to go.

Item 11 Looking Ahead

Mr. Sands noted that the design charrettes will continue with Groups 3 and 4 and some will take over the summer. He noted the community meetings for Groups 3 and 4 are continuing, and Group 2 schools are moving into Construction Design phase.

Mr. White asked if there were any changes on the Traffic Light Report. Mr. Bobadilla reported the team is working on it.

There being no further questions or discussion, the committee entered Executive Session.

The information outlined above reflects the author's understanding of the key discussions and decisions reached during this meeting. Should you have any additions and/or clarifications to these meeting notes, please notify the author in writing promptly. These notes will be relied upon as the approved record of the meeting, unless a written notice to the contrary is sent to the author within seven (7) days of the submission of these meeting notes.

Prepared by Construction and Facilities Services.